

Message Text

CONFIDENTIAL

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53

ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-07 SS-15 NSC-05 AID-05 TRSE-00

OMB-01 CIEP-01 FRB-03 SSO-00 NSCE-00 CIAE-00 INR-07

NSAE-00 INRE-00 L-03 IGA-01 /063 W

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O 161640Z NOV 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC IMMEDIATE 7951

CONFIDENTIAL CAIRO 11618

E.O. 11652: GDS

TAGS: EAID

SUBJECT: EXIM PAYMENT AND DOLLARS 100 MILLION USAID LOAN

REF: (A) STATE 265778 (B) CAIRO 11547

1. MIN FINANCE ABU ISMAIL TELEPHONED ME THIS AFTERNOON. HE SAID THAT, AFTER OUR TALK OF A FEW DAYS AGO ABOUT THE EXIM REPAYMENT DELINQUENCY (REF B), HE HAD IMMEDIATELY LOOKED INTO THE MATTER. HE HAD ASCERTAINED THAT THE MINISTRY OF FINANCE HAD TRANSFERRED TO THE CENTRAL BANK ON OCTOBER 11 THE AMOUNT DUE. PROCEDURALLY, HOWEVER, IT WAS UP TO THE EGYPTIAN RAILWAYS ADMINISTRATION, THE BORROWER, TO REQUEST THE CENTRAL BANK TO TRANSFER THE MONEY. THE RAILWAYS ADMINISTRATION HAD FAILED TO DO SO AND, WHEN ASKED FOR AN EXPLANATION BY ABU ISMAIL, HAD CLAIMED IT WAS NOT SURE NEEDED HARD CURRENCY WAS AVAILABLE.

2. ABU ISMAIL STATED HE HAD SHARPLY CRITICIZED THE RAILWAYS ADMINISTRATION FOR ITS DELINQUENCY AND THAT HE HAD GIVEN INSTRUCTIONS TO TRANSFER THE PAYMENT TO US BANK AT ONCE. IT WILL BE MADE TOMORROW MONDAY, NOVEMBER 17. ABU ISMAIL CONTENDED THE FAULT WAS THAT OF THE RAILWAYS ADMINISTRATION AND THAT THE MINFINANCE WAS NOT TO BLAME SINCE IT HAD TRANSFERRED THE FUNDS TO THE CENTRAL BANK AS EARLY AS OCTOBER 11. I EXPRESSED APPRECIATION FOR HIS INTEREST, AND POINTED OUT IN LOW KEY THAT LATE PAYMENT CHARGE IS ASSESSED ON DAILY BASIS FOR EVERY DAY AFTER DUE DATE AND THAT IT WAS THEREFORE

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IN GOE'S INTEREST TO PAY ON TIME.

3. COMMENT: PLEASE ADVISE IF PAYMENT IS IN FACT MADE TOMORROW. IN
LIGHT OF GOE'S OBVIOUS INTENTION TO PAY EXIM ARREARAGE, I AGAIN
URGE THAT PROMISED \$100 MILLION CIP LOAN BE AUTHORIZED WITHOUT
FURTHER DELAY.

EILTS

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Message Attributes

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Margaret P. Grafeld
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